



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20063

RQ-2

Donna Anderson, Treasurer
National Republican Congressional Committee -- Expenditures
320 First St.
Washington, DC 20003

JUL 09 2003

Identification Number: C00075820

Reference: 30 Day Post-General Report (10/17/02-11/25/02)

Dear Ms. Anderson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.7(a)(1)(iii)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(1)(iii)(B)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(1)(iii)(A))

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-Please clarify all expenditures made for "production" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule H2 indicates the allocation ratio for "313-325-333" was revised during the reporting period. Please provide the date of the fundraising program or event. In the case of a telemarketing or direct mail campaign, the "date" is the last day of the telemarketing campaign, or the day on which the final direct mail solicitations are mailed. 11 CFR §106.5(f)(2) In the event that an excessive non-federal transfer was received, the excessive amount should be transferred back to your non-federal account.

-Line 10 of the Summary Page of your report discloses a total of \$9,860,437.10 in debts and obligations owed by the committee. The sum of the entries itemized on Schedules C and D, however, indicate the total to be \$9,753,101.69. In addition, it appears that the \$3,500,000 loan owed by your committee is reported on both a Schedule C and D; thus, inflating your supporting schedule total for Line 10. Please amend your report to clarify these discrepancies

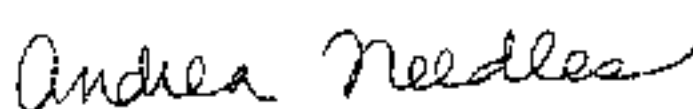
-The loan schedule (Schedule C) should disclose the following information: the name and mailing address of the person making or receiving the loan, original amount, cumulative payment, outstanding balance, date incurred, date due, and interest rate for all loans that your committee has received. Please amend Schedule C by providing the original amount of the loan. 11 CFR §§104.3(d) and 104.11(a)

-The supporting schedule for loans and lines of credit from lending institutions (Schedule C-1) must include the name and address of the lender, amount, interest rate, date incurred, date due, the treasurer's signature, and the signature of an authorized representative of the lending institution, along with a copy of the loan agreement. In addition, it may be necessary to provide information regarding restructured loans, draws on lines of credit, secondary sources of repayment, traditional collateral, future receipts as collateral and other means of obtaining loans according to your activity. Please amend Schedule C-1 and any other affected schedules to provide the amount of the loan and the date due. 11 CFR §§100.7(b)(11) and 100.8(b)(12)

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A response or amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Andrea Needles
Senior Campaign Finance Analyst
Reports Analysis Division

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